

Hearing Date and Time: July 20, 2011 at 10:00 a.m. (Prevailing Eastern Time)

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Attorneys for US Airways, Inc.

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re	:	Chapter 11 Case No.
	:	
LEHMAN BROTHERS HOLDINGS INC., <i>et al.</i> ,	:	08-13555 (JMP)
	:	
Debtors.	:	(Jointly Administered)
	:	
-----X	:	

**REPLY IN SUPPORT OF MOTION OF ROLAND HANSALIK, GEORGE
BARCLAY PERRY AND JOSEPH ARENA FOR AN ORDER MODIFYING
THE AUTOMATIC STAY TO ALLOW PAYMENT OF A JUDGMENT UNDER THE
DIRECTORS AND OFFICERS INSURANCE POLICIES ISSUED TO THE DEBTORS**

TO THE HONORABLE JAMES M. PECK
UNITED STATES BANKRUPTCY JUDGE:

US Airways, Inc. (“US Airways”), through counsel, hereby files this reply in support of the motion of Roland Hansalik, George Barclay Perry and Joseph Arena (collectively, the “Insured Persons”), pursuant to section 362(d) of the Bankruptcy Code and rule 4001(a)(3) of the Federal Rules of Bankruptcy Procedure, for an order modifying the automatic stay (to the extent

applicable and necessary) to allow payment of an award entered by an arbitration panel appointed by the Financial Industry Regulatory Authority (“FINRA”) against the Insured Persons for \$15 million (the “Award”) under the directors’ and officers’ liability insurance policies issued to the Debtors for claims made during the 2007-2008 policy period (collectively, the “D&O Policies”), dated June 29, 2011 (ECF No. 18157) (the “Motion”).

By way of background and as is explained in more detail in the Motion at 2-3, US Airways obtained the Award in the FINRA proceeding against the Insured Persons. US Airways, thus, supports the Motion for all of the reasons articulated therein and respectfully requests entry of an order lifting the automatic stay (to the extent it applies) to allow payment of the Award under the D&O Policies. US Airways also supports the Insured Persons’ request that the Court waive the requirements of Rule 4001(a)(3) of the Federal Rules of Bankruptcy Procedure.

US Airways, through counsel, will appear at the July 20, 2011 hearing to answer any questions the Court may have. For the foregoing reasons, US Airways respectfully requests that the Court grant the Motion.

Dated: New York, New York
July 18, 2011

Respectfully submitted,

STEPTOE & JOHNSON LLP

By: /s/ EVAN GLASSMAN
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